

# EXHIBIT "F"

## CONDITIONS OF FEDERAL FUNDING

1. **Compliance with Federal Laws and Regulations.** SUBRECIPIENT agrees to comply with all federal laws and regulations applicable to HOME and to the services and work covered under this Agreement.
2. **Applicable Federal Civil Rights Laws and Executive Orders.** The work to be performed under this Agreement is on a project assisted under a program providing direct federal financial assistance from HUD. In providing the services and work set forth in this Agreement, SUBRECIPIENT will carry out its work in a manner which will permit full compliance by CITY with the following, and SUBRECIPIENT shall strictly adhere to the following:
  - a. Title VI of the Civil Rights Act of 1964, which provides that no person in the United States shall be excluded on the basis of race, color or national origin, from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
  - b. Section 109 of the Housing and Community Development Acts of 1974 and 1977, as amended, which provide that no person in the United States shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available pursuant to said Acts.
  - c. Title VIII of the Civil Rights Act of 1968, which mandates affirmative action toward furthering fair housing (in sale or rental of housing, financing of housing and provision of brokerage services) throughout the United States;
  - d. Executive Order 11063, which provides for equal opportunity in housing and related facilities provided by federal financial assistance;
  - e. Executive Order 11246, which provides that there shall be no discrimination in employment under federally-assisted construction.
  - f. Section 3 of the Housing and Urban Development Act of 1968, which provides for training, employment, and contracting Opportunities for business and lower income person(s) assurance of compliance.
    - (1) The work to be performed under this Agreement is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given low-income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.
    - (2) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR Part 135, and all applicable rules and orders of the Department of Housing and

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Community Development issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

(3) SUBRECIPIENT will send to each labor organization or representative of workers with which it has a collective bargaining contract or other contract or understanding, if any, a notice advertising to the said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

(4) SUBRECIPIENT will include these Section 3 clauses in every contract and subcontract for work in connection with the project and will, at the direction of the State, take appropriate action pursuant to the contract upon a finding that any SUBRECIPIENT or subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135, and will not let any contract unless SUBRECIPIENT or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

(5) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the Rehabilitation Contract shall be a condition of the federal financial assistance provided to the project, binding upon SUBRECIPIENT, its successors, and assigns. Failure to fulfill these requirements shall subject SUBRECIPIENT, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135 which provides that, to the greatest extent feasible, opportunities for training and employment shall be given to lower-income residents of HUD-assisted project areas, and that contracts for work in connection with such projects be awarded to business concerns which are located in, or are owned in substantial part by, persons residing in the area of the Program.

g. Section 504 of the Rehabilitation Act of 1973 (prohibits discrimination based on physical handicap) (Pub.L. 93-112), as amended, and implementing regulations when published for effect.

h. The Age Discrimination Act of 1975, as amended (Pub.L. 94-135), and implementing regulations when published for effect.

i. The relocation requirements of Title II and the acquisition requirements of Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and the implementing regulations at 24 CFR Part 42.

j. The requirements relating to minority and women's business enterprises set forth in Executive Order No. 11625 of October 13, 1971, 36 Fed. Reg. 1967, as amended by Executive Order No. 12007 of August 22, 1977, 42 Fed. Reg. 42839;

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and Executive Order No. 12432 of July 14, 1983, 48 Fed. Reg. 32551; and Executive Order No. 12138 of May 18, 1979, 44 Fed. Reg. 23637.

k. The Uniform Federal Accessibility Standards set forth in 24 CFR, Part 40, Appendix A.

l. The provisions of 24 CFR, Part 24, relating to the employment, engagement of services, awarding of contracts, or funding of any Subrecipients or subcontractors during any period of debarment, suspension or placement in ineligibility status.

m. The provisions of 24 CFR, Part 570, relating to compliance with applicable uniform administrative requirements in acceptance and use of funds, as described in Section 570.502 (this document is available in the Community Development Department offices).

n. The provisions of 24 CFR, Part 570, relating to compliance with: 1) OMB Circular A110 which sets standards for uniform administrative requirements for grants to nonprofit organizations; and 2) OMB Circular A-122, which provides a set of cost principles for determining costs of grants and other agreements with non-profit organizations.

3. **Nondiscrimination Under Title VI of the Civil Rights Act of 1964.** SUBRECIPIENT under this Agreement shall be subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and HUD regulations with respect thereto including the regulations under 24 CFR, Part 1. In the sale, lease or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, SUBRECIPIENT shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer prohibiting discrimination upon the basis of race, color, religion, sex or national origin, in the sale, lease or rental, or in the use of occupancy of such land or any improvements erected or to be erected thereon, and providing that SUBRECIPIENT and the United States are beneficiaries of and entitled to enforce such covenant. SUBRECIPIENT, in providing the services and work it is to provide pursuant to this Agreement, agrees to take such measures as are necessary to enforce such covenant and will not itself so discriminate.
4. **Equal Employment Opportunity.** In providing the work and services herein specified, SUBRECIPIENT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. SUBRECIPIENT shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. SUBRECIPIENT shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or the CITY setting forth the provisions of this nondiscrimination clause. SUBRECIPIENT shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin. SUBRECIPIENT

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shall incorporate the foregoing requirements of this Paragraph 4 in all of its contracts for program work, and will require all of its subcontractors for such work to incorporate such requirements in all subcontracts for program work.

SUBRECIPIENT shall also maintain records containing:

- a. Data on the extent to which each racial and ethnic group and single-headed households (by gender of household head) have applied for, participated in, or benefitted from, any program or activity funded in whole or in part with CDBG, HOME or other Federal funds. Such information shall be used only as a basis for further investigation as to compliance with nondiscrimination requirements. No SUBRECIPIENT is required to attain or maintain any particular statistical measure by race, ethnicity, or gender in covered programs.
  - b. Documentation of actions undertaken to meet the requirements of 570.607(b) which implements section 3 of the Housing Development Act of 1968, as amended (12 U.S.C. 1701 U) relative to the hiring and training of low-and moderate-income persons and the use of local businesses.
  - c. Data indicating the racial/ethnic character of each business entity receiving a contract or subcontract of \$25,000 or more paid, or to be paid, with CDBG, HOME or other Federal funds, data indicating which of those entities are women's business enterprises as defined in Executive order 12138, the amount of the contract or subcontract, and documentation of recipient's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construct and services. Such affirmative steps may include, but are not limited to, technical assistance open to all businesses but designed to enhance opportunities for these enterprises and special out-reach efforts to inform them of contract opportunities. Such steps shall not include preferring any business in the award of any contract or subcontract solely or in part on the basis of race or gender.
5. **Lead-Based Paint Hazards.** Assistance provided under this Agreement is subject to the HUD Lead-Based Paint regulations at 24 CFR Part 35, hereby incorporated and made a part of this Agreement by reference. Any funding commitments made by CITY or SUBRECIPIENT shall be made subject to the provisions for the elimination of lead-based paint hazards under subpart B of said regulations.
  6. **Flood Disaster Protection.** Notwithstanding any other provision of this Agreement, SUBRECIPIENT shall comply with the Flood Disaster Protection Act of 1973, as amended (P.L. 93-234), and the standards issued thereto. No portion of the monies to be paid to SUBRECIPIENT pursuant to this Agreement shall be used for acquisition or construction purposes as defined under Section 3(a) of said Act, for use in an area identified by the Secretary of HUD as having special flood hazards which is located in an area not in

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compliance with the requirements for participation in the National Flood Insurance Program pursuant to Section 201(d) of said Act; and the use of any of said monies for such acquisition or construction in such identified areas in communities then participating in the National Flood Insurance Program shall be subject to the mandatory purchase of flood insurance requirements of Sections 102(a) of said Act.

Any contract or Agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement shall contain, if such land is located in an area identified by the secretary of HUD as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001, et seq., provisions obligating the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under Section 102(a) of the Flood Disaster Protection Act of 1973, as amended. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this Agreement.

7. **Interest of Certain Federal Officials.** No member of or delegate to the Congress of the United States, and no Resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit arising from same.
8. **Conflict of Interest.** No officer, employee, or agent of SUBRECIPIENT who exercises any functions or responsibilities with respect to the HOME Program or to the services and work to be performed by SUBRECIPIENT pursuant to this Agreement, during such officer's employee's, or agent's tenure or for one (1) year thereafter, shall have any personal or financial interest or benefit, direct or indirect, in this Agreement or the proceeds thereof. SUBRECIPIENT shall incorporate or cause to be incorporated in every contract required to be in writing a provision prohibiting such interest pursuant to the purposes of this Section.
9. **Prohibition Against Payments of Bonuses or Commissions.** The assistance provided under this agreement shall not be used in the payment of any bonus or commission for the purposes of obtaining HUD approval of the application for such assistance, or HUD approval of applications for additional assistance, or any other approval or concurrence of HUD required under this Agreement, Title I of the Housing and Community Development Acts of 1974 or 1977, or HUD regulations with respect thereto; provided, however, that reasonable fees or bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.
10. **Copyrights.** If this Agreement results in a book or other copyrightable material, the author is free to copyright the work, but HUD reserves a royalty-free, nonexclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, all copyrighted material and all material which can be copyrighted.

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11. **Patents.** Any discovery or invention arising out of or developed in the course of work aided by this Agreement shall be promptly and fully reported to CITY and HUD for determination by HUD as to whether patent protection on such invention or discovery shall be sought and how the rights in the invention or discovery, including the rights under any patent issued thereon, shall be disposed of and administered, in order to protect the public interest.

12. **Political Activity.**

**a. Political Reform Act.** SUBRECIPIENT shall comply with the applicable provisions of the Political Reform Act of 1974, as amended, relating to conflicts of interest (codified at California Government Code Section 87000, et seq.). SUBRECIPIENT will promptly advise CITY of the fact and circumstances concerning any disclosure made to it or any information obtained by it relating to conflicts of interest.

**b. Partisan Activity Prohibited.** No funds provided in this Agreement shall be used for any partisan political activity or to further the election or defeat of any candidate for public office; nor shall they be used to provide services, or for the employment or assignment of personnel in a manner supporting or resulting in the identification of programs conducted pursuant to this Agreement with following: (1) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office; (2) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or (3) any voter registration activity.

Participants employed in the administration of the City's programs funded by CDBG, HOME or other Federal funding, and participants whose principal employment is in connection with an activity funded by CDBG, HOME or other Federal funding or resultant proceeds are subject to the limitation on political activities under the Hatch Act (U.S.C. 1502(a), 18 U.S.C. 595). All participants may take part in nonpartisan activities outside working hours.

**c. Lobby Prohibited.** None of the funds provided under this Agreement shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before the Congress.

13. **Guidelines on Church-Related Activities.**

**a. Construction or Rehabilitation of Facilities.** CDBG, HOME or other Federal funding recipients shall not use any funds to construct, rehabilitate, maintain or restore religious structures (including those which may be historic properties) currently used for religious purposes. Block grant funds shall not be used to construct, rehabilitate, maintain or restore structures or other real property owned by "pervasively sectarian" organizations. Block Grant funds shall not be used to assist a religious organization in acquiring property. These prohibitions apply whether or not the property is used for religious services or instruction or is used in any other way for religious activities.

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b. **Public Services.** CDBG funds may be used for the provision of public services under the following conditions:

- (1) The public services provided are exclusively non-religious in nature and scope;
- (2) There are no religious services, proselytizing, instruction, or any other religious influences in connection with the public services;
- (3) There is no religious discrimination in terms of employment or benefits under the public services; and
- (4) CDBG funds may be used only for the provision of public services and not for construction, rehabilitation or restoration of any facility owned by a religious organization where the services are provided. A narrow exception to this prohibition is that minor repairs may be made where such repairs (a) are directly related to the public services, (b) are located in a structure used exclusively for non-religious purposes, and (c) constitute in dollar terms a minor portion of the CDBG expenditure for public services.

### **END CONDITIONS OF FEDERAL FUNDING**